

2026-27

Governor Shapiro's Commonwealth Budget

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Department of Human Services Budget Briefing

FEBRUARY 6, 2026

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Pennsylvania
Department of Human Services

DHS GSDing for PA

- Launched www.dhs.pa.gov/work to help PA understand new federal work requirements
- Made it easy to add volunteer opportunities to PA-Navigate.com – join this referral network!
- Decreased the ID/A adult emergency waiting list by 30% in two years
- Added security features to protect EBT Cards
- Launched a suite of new technology to improve COMPASS, other customer services
- Continued SunBucks & fed more than 1.2M kids in both 2024 *and* 2025
- Published Blueprint roadmap on serving youth with complex needs & launched Pediatric Capacity Building Institute
- Medicaid-covered doula care & developing Maternal Health Strategic Plan
- Began paying for street medicine services through Medicaid
- Completed Medicaid Unwinding on time, under budget, with 5th-lowest procedural termination rate
- Improved outcomes for participants in Community HealthChoices
- Published new child care subsidy regulations & expanding focus on developing high quality care.
- Expanded tools & partnerships available in emergencies and disasters
- Increased capacity at BJJS facilities to expand care options and reduce wait times.
- Implemented electronic health records at state hospitals on time and on budget.
- Launched Women's Health Services Program grant program
- Eliminated provider enrollment backlog in PROMISe system
- Eliminated barriers to telehealth for behavioral health



Governor Josh Shapiro's 2026-27 Commonwealth Budget

- Saving Taxpayer Dollars & Providing More Resources to Invest in Pennsylvanians**
- Strengthening the Only Growing Economy in the Northeast**
- Building upon Historic Investments in our Classrooms**
- Expanding Our Workforce and Meeting Critical Needs for Economic Growth**
- Supporting Law Enforcement, Reducing Crime, and Making Our Communities Safer**
- Making Life More Affordable for Pennsylvanians by Cutting Taxes, Lowering Energy Costs**
- Investing in Critical Infrastructure**



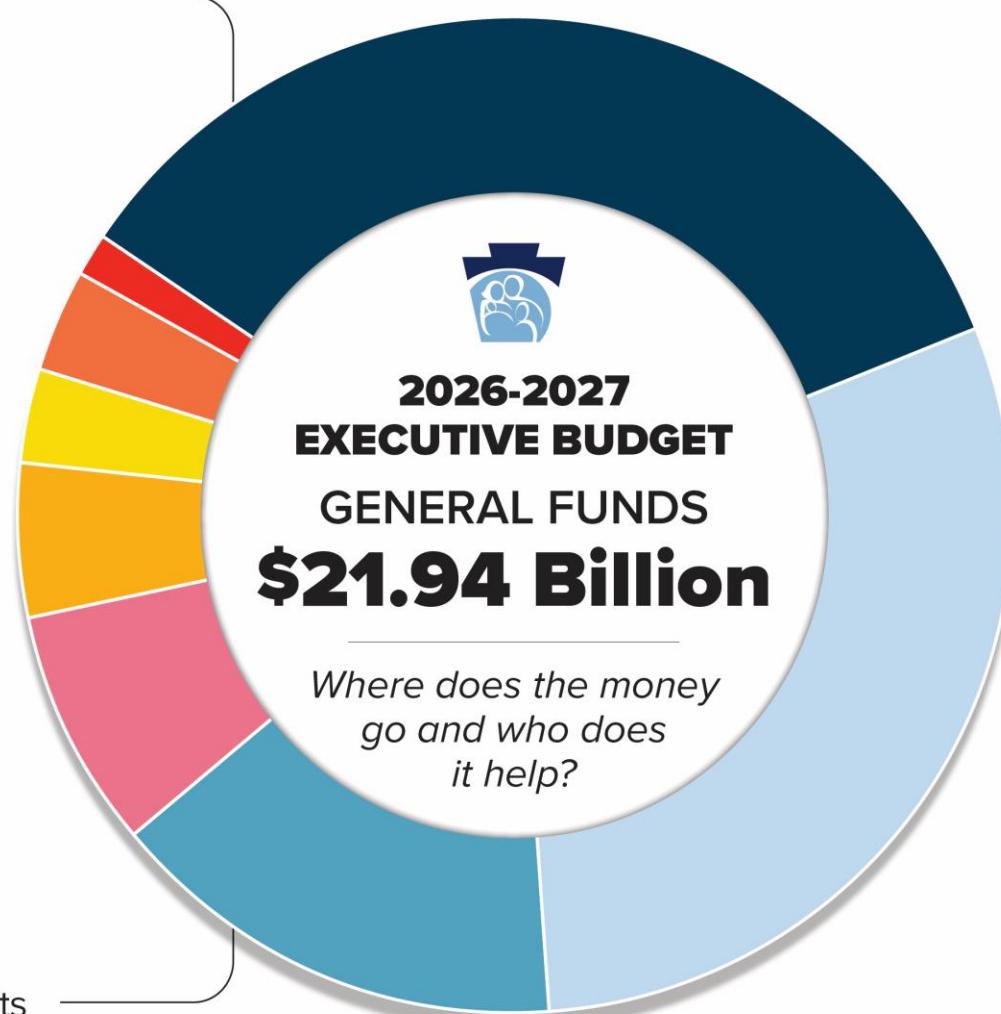
Human Services Spending OVERVIEW



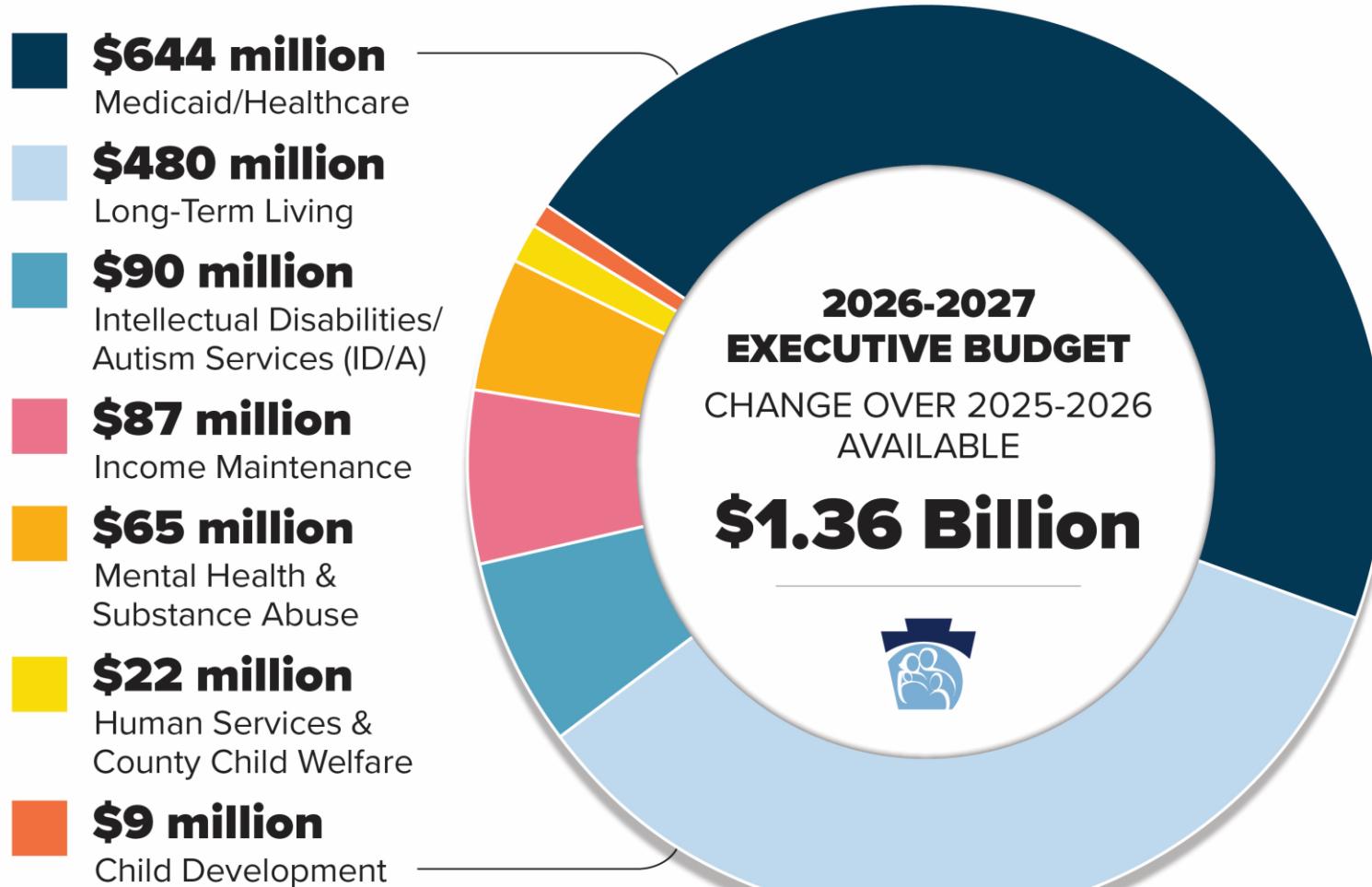
Pennsylvania
Department of Human Services

Projected Spending Across DHS

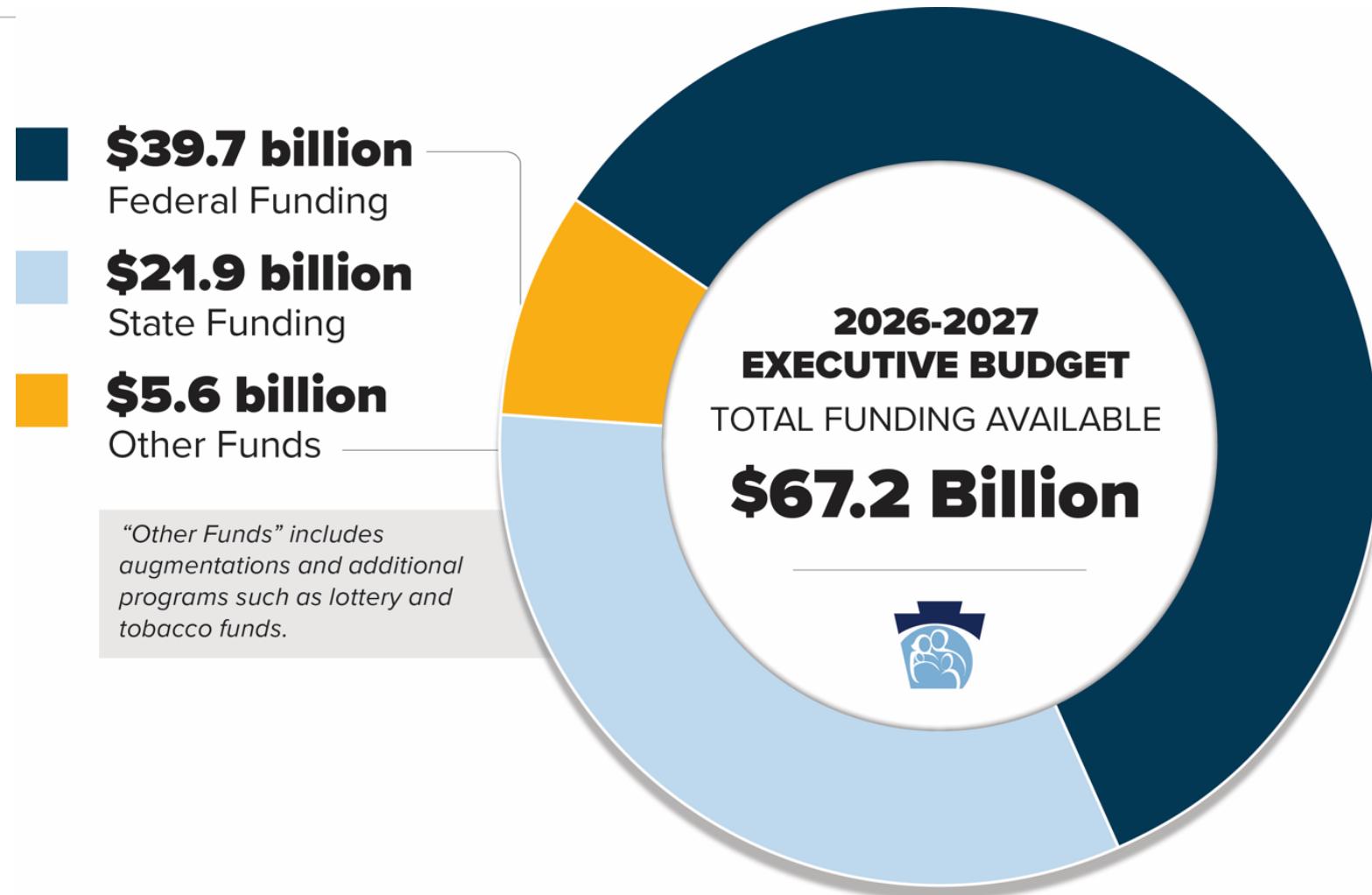
\$7.61 billion	Long-Term Living
\$6.57 billion	Medicaid/Healthcare
\$3.28 billion	Intellectual Disabilities/ Autism Services (ID/A)
\$1.73 billion	Human Services & County Child Welfare
\$1.06 billion	Mental Health & Substance Abuse
\$720 million	Income Maintenance
\$702 million	Child Development
\$274 million	Human Services Supports



Change Over 2025-2026 Available Budget



Department of Human Services Overall Spending

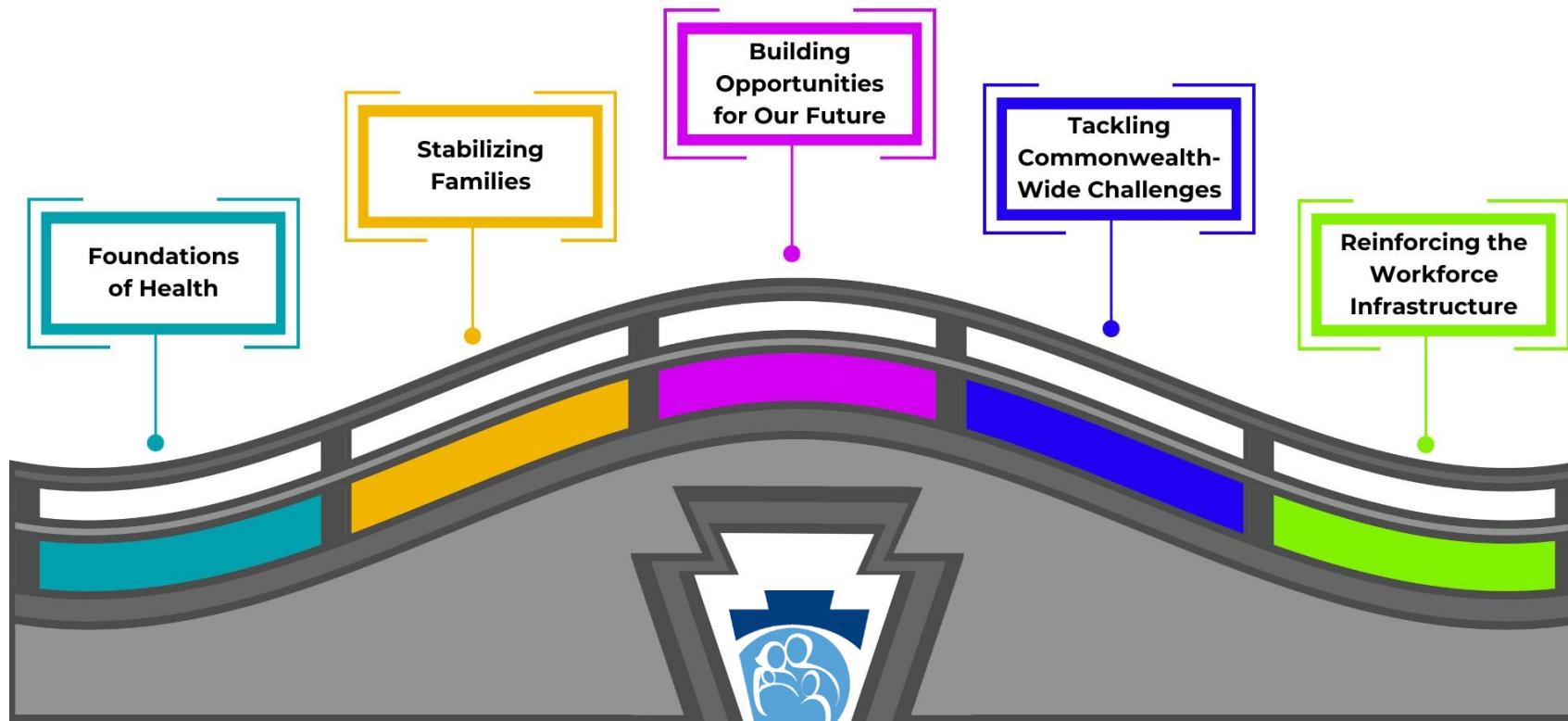


2026-27

Budget Highlights & Investments

Bridges to Success

Supporting a Thriving Pennsylvania



Foundations of Health

• Investments in Health

- At the end of 2024, Pennsylvania's 1115 Waiver application was approved by the Centers for Medicare and Medicaid Services. Application included:
 - Continuous Medicaid coverage up to age 6 for eligible children
 - Enhanced reentry supports and care transitions for reentrants returning from State Correctional Institutions
 - Housing and supports for individuals with serious behavioral health needs and/or disabilities experiencing or at risk of homelessness
 - Food and nutrition supports for people with certain diet-sensitive conditions who are food insecure
- Trump Administration guidance limiting what we are able to move forward – continuous coverage no longer permitted.



Foundations of Health

- **Investments in Health – Food is Medicine**

- \$900,000 state funds (federalizes to \$2.3 million) to launch pilot that will provide nutritionally appropriate food to improve quality of life and health outcomes while lowering overall health care costs for Medicaid recipients with significant health care needs.
- Diet has direct impact on prevention and risk from cardiovascular disease, high blood pressure, obesity, type 2 diabetes, certain cancers, bone health and risk of complications from falls or injury, and more.
- Pilot will support quality of life and improved health outcomes will investing in lower cost health care interventions for Medicaid recipients with significant health needs.



Foundations of Health

- **Investments in Health – Housing Stability**

- \$1 million state funds (federalizes to \$2.5 million) to launch pilot that will connect people experiencing homelessness to stable housing and services that improve health and care management.
- Stable housing is shown to lower hospital stays for formerly unhoused people by at least 30 percent.
- Consistent care and medication access allows conditions to be managed or treated sooner – avoiding complications and more costly, intensive care.
- Work will support overall stability for unhoused Medicaid recipients and reduce reliance on emergency departments and acute care.



Foundations of Health

- Investments in Health – Reentry Supports**

- \$900,000 state funds (federalizes to \$2.7 million) to provide pre-release coverage (up to 90 days prior to release from a State Correctional Institution) for:**
 - Substance use disorder care, including medications for opioid use disorder;
 - Intensive case management to support warm hand-offs for post-release clinical and social services to:
 - Improve continuity of care
 - Reduce recidivism
 - This program would reduce overdose deaths, improve health outcomes, provide short-term supports during this critical life transition, and reduce recidivism following community reentry.



Foundations of Health

- **Continuing ODP Multi-Year Growth Strategy**

- In 2024, Governor Shapiro announced the beginning a multi-year strategy to expand access to home and community-based services and effectively end the emergency waiting list for adults with intellectual disabilities and autism.
- Continuing to make progress towards this goal – adult emergency waiting list was approx. 3,100 at end of 2025.
 - 31 percent decrease since February 2024
- 2026-27 Budget continues this progress and commitment. \$30 million in state funds (federalizes to \$66.2 million) will support:
 - 850 more people served in Community Living Waiver
 - 400 more people served in Consolidated Waiver



Foundations of Health

- **Supporting 988 Call Centers**
 - Pennsylvania's 14 call centers received more than 145,000 calls to 988 in 2025 – calls that can save lives.
 - **Investing in our frontline crisis response workforce to help call centers continue meet local needs -- \$10M in state funds**
- **Accessible Crisis Services Around Pennsylvania**
 - Crisis response teams help ensure that when someone calls 988, there will be someone to respond and somewhere to go. With the rate of calls to 988, it is expected that demand for in-person follow up will more than triple over the next five years.
 - **\$5 million in state funds to continue prior year commitments for emergency behavioral health walk-in centers.**



Stabilizing Families

- **Increasing the Minimum Wage**

- Pennsylvania's minimum wage has not moved since 2009 – unlike each of our neighboring states.
- Nearly 85 percent of workers who would benefit from a minimum wage increase are adults ages 20-65, disproportionately impacts women and people of color.
- Increased minimum wage could generate \$80 million in increased revenue to the Commonwealth by increasing our residents' purchasing power.
- Livable wages decrease use of public assistance programs, lowering state program costs.
- **The 2026-27 Budget supports a \$15 an hour minimum wage to promote economic opportunity for Pennsylvanians.**

- **Supporting 211 Network**

- United Way and 211 partners support communities through resource navigation and assistance -- **\$250,000 in state funds** will support 211 and its services.



Building Opportunities for Our Future

- **Child Care Recruitment and Retention Fund**

- 2025-26 Budget included \$25 million to establish Child Care Recruitment and Retention Fund, providing \$450 bonuses to employees at Child Care Works facilities.
 - 4,300 providers applied for grants expected to serve approximately 55,000 child care employees.
- **Continuing and growing this program for 2026-27 with \$35 million investment, increasing bonuses to \$630 per employee**

- **Sustaining Early Intervention Rate Increase**

- 2025-26 Budget included \$10 million increase in state funding for Early Intervention rates, an investment that enables additional federal funding for more than \$20 million to support this system and services provided to young children.
- 2026-27 sustains rate increase, revised rates being released soon.



Human Services Highlights & Investments

Tackling Commonwealth-Wide Challenges

- **Supporting Pennsylvania's Rural Hospitals**
 - Continuing investment of **\$10 million (federalizes to \$36.69 million total) that will directly support rural hospitals.**
- **Supporting Transitions from Institutional Care to Community Placements**
 - Individuals placed in civil units in state hospitals for long periods of time may also have trouble finding appropriate community-based placements, which would allow them to live in a less restrictive setting.
 - **Supporting community-based services for 40 people through Community Hospital Integration Project Programs -- \$3.2 million in state funds.**
 - **2026-27 budget also invests \$3.2 million to maintain prior year CHIPPs.**
 - **\$7.3 million to maintain community-based forensic placements for justice-involved individuals who no longer or do not need state hospital care.**



Tackling Commonwealth-Wide Challenges

- **Expanding Tools for Fraud Prevention and Detection**
 - Pennsylvania is a national leader in Medicaid fraud prosecution – work possible due to close partnership with Office of Attorney General and Office of Inspector General.
 - **Governor Shapiro calling on General Assembly to pass False Claims Act to further protect against waste, fraud, and abuse.**
- **Protecting Older Pennsylvanians**
 - Older Adults Protective Services Act passed in 1987 – law does not meet realities of present-day threats.
 - **By modernizing OAPSA, we can expand background check requirements for caregivers, create a waiver process for determining employment eligibility, update outdated lists of criminal offenses, expand mandatory reporting practices, and outline clear standards for financial exploitation and responsibilities institutions have to protect older adults from fraud and abuse.**



Reinforcing the Workforce Infrastructure

- **Supporting the ChildLine and Resources for Callers**
 - ChildLine operates 24/7, 365 days a year to field calls of suspected child abuse and neglect, deploying these reports to county children and youth agencies for further investigation and follow up.
 - Staff are highly trained and must quickly triage calls to ensure agencies have information they need to respond efficiently and effectively.
 - **Investing \$658,000 in state funds (which will federalize to \$902,000) to onboard 15 additional ChildLine call-takers and five supervisory staff, increasing resources and support for this team and their critical work.**



Federal Response Fund

- Actions from federal government has created disruptions and uncertainty for state and local partners – **Shapiro Administration is committed to protecting Pennsylvanians and essential services.**
- Lapse of SNAP in November showed dangerous potential of this uncertainty – temporary food assistance disruption affected more than 1.8 million Pennsylvanians, strained food bank resources.
- Legal action cannot be only tool – more flexibility needed in event of emergency.
 - **2026-27 proposes \$100 million for new Federal Response Fund that will allow Commonwealth to respond quickly to actions from federal government that threaten health, safety, or essential services for Pennsylvanians.**



Rural Health Transformation Program

- Pennsylvania eligible for \$193 million for Rural Health Transformation Program Year One funding pending approval of revised budget.
- Regional focus will bring together existing economic development leaders with health care, non-profits, education, managed care to invest in work aligned with RHTP application, covering: technology and infrastructure, workforce, maternal health, behavioral health, aging and access, and EMS and transportation.
- Short-term Rapid Response Access Stabilization Program will allow for more near-term investments as the program infrastructure forms.
- More information coming soon – visit www.dhs.pa.gov/ruralhealth to sign up for listserv for future updates.

Content on slide was reviewed and approved as required by the U.S. Department of Health and Human Services and Centers for Medicare & Medicaid Services as required in terms outlined in the Rural Health Transformation Program Notice of Award.

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Thank you for joining us!

Bridges to Success

Supporting a Thriving Pennsylvania

